

Introduced by Senator Hill**(Coauthors: Senators Evans, Leno, Wolk, and Yee)****(Coauthors: Assembly Members Gordon, Levine, Mullin, Ting, and Yamada)**February 22, 2013

An act to amend Section 34188 of the Health and Safety Code, relating to redevelopment.

LEGISLATIVE COUNSEL'S DIGEST

SB 636, as introduced, Hill. Redevelopment Property Tax Trust Fund allocations: excess Educational Revenue Augmentation Fund moneys.

Existing law requires the county auditor-controller, in each fiscal year, to allocate property tax revenue to local jurisdictions in accordance with specified formulas and procedures, and generally requires that each jurisdiction be allocated an amount equal to the total of the amount of revenue allocated to that jurisdiction in the prior fiscal year, subject to certain modifications, and that jurisdiction's portion of the annual tax increment, as defined. Existing law also reduces the amounts of ad valorem property tax revenue that would otherwise be annually allocated to the county, cities, and special districts pursuant to these general allocation requirements by requiring, for purposes of determining property tax revenue allocations in each county for the 1992–93 and 1993–94 fiscal years, that the amounts of property tax revenue deemed allocated in the prior fiscal year to the county, cities, and special districts be reduced in accordance with certain formulas. Existing law requires the transfer of the local property tax revenues not allocated to the county, cities, and special districts as a result of these reductions to the Educational Revenue Augmentation Fund (ERAF) in that county for allocation to school districts, community college districts, and the county

office of education, with any remaining excess funds allocated to the county, cities, and special districts.

Existing law additionally requires the county auditor-controller to determine annually the amount of property taxes that would have been allocated to each redevelopment agency had the agency not been dissolved and to deposit that amount into the Redevelopment Property Tax Trust Fund. Existing law requires the county auditor-controller for each fiscal year to allocate moneys in the Redevelopment Property Tax Trust Fund for passthrough payment obligations, enforceable obligations of the dissolved redevelopment agency, and administrative costs, as specified. Any remaining moneys in the Redevelopment Property Tax Trust Fund are required to be distributed as local property tax revenues to local agencies and school entities, which may include ERAF, as prescribed.

This bill would modify the provision of law relating to the allocation of remaining local property tax revenues in the Redevelopment Property Tax Trust Fund by deleting language requiring that the provision be construed in such a manner so as to not increase any allocations of excess, additional, or remaining ERAF funds that would otherwise have been allocated to cities, counties, cities and counties, or special districts pursuant to existing law.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 34188 of the Health and Safety Code is
- 2 amended to read:
- 3 34188. For all distributions of property tax revenues and other
- 4 moneys pursuant to this part, the distribution to each taxing entity
- 5 shall be in an amount proportionate to its share of property tax
- 6 revenues in the tax rate area in that fiscal year, as follows:
- 7 (a) (1) For distributions from the Redevelopment Property Tax
- 8 Trust Fund, the share of each taxing entity shall be applied to the
- 9 amount of property tax available in the Redevelopment Property
- 10 Tax Trust Fund after deducting the amount of any distributions
- 11 under paragraphs (2) and (3) of subdivision (a) of Section 34183.
- 12 (2) For each taxing entity that receives passthrough payments,
- 13 that agency shall receive the amount of any passthrough payments
- 14 identified under paragraph (1) of subdivision (a) of Section 34183,

1 in an amount not to exceed the amount that it would receive
2 pursuant to this section in the absence of the passthrough
3 agreement. However, to the extent that the passthrough payments
4 received by the taxing entity are less than the amount that the
5 taxing entity would receive pursuant to this section in the absence
6 of a passthrough agreement, the taxing entity shall receive an
7 additional payment that is equivalent to the difference between
8 those amounts.

9 (b) Property tax shares of local agencies shall be determined
10 based on property tax allocation laws in effect on the date of
11 distribution, without the revenue exchange amounts allocated
12 pursuant to Section 97.68 of the Revenue and Taxation Code, and
13 without the property taxes allocated pursuant to Section 97.70 of
14 the Revenue and Taxation Code.

15 (c) The total school share, including passthroughs, shall be the
16 share of the property taxes that would have been received by school
17 entities, as defined in subdivision (f) of Section 95 of the Revenue
18 and Taxation Code, in the jurisdictional territory of the former
19 redevelopment agency, including, but not limited to, the amounts
20 specified in Sections 97.68 and 97.70 of the Revenue and Taxation
21 Code.

22 ~~(d) This section shall not be construed to increase any allocations~~
23 ~~of excess, additional, or remaining funds that would otherwise~~
24 ~~have been allocated to cities, counties, cities and counties, or~~
25 ~~special districts pursuant to clause (i) of subparagraph (B) of~~
26 ~~paragraph (4) of subdivision (d) of Section 97.2, clause (i) of~~
27 ~~subparagraph (B) of paragraph (4) of subdivision (d) of Section~~
28 ~~97.3, or Article 4 (commencing with Section 98) of Chapter 6 of~~
29 ~~Part 0.5 of Division 1, of the Revenue and Taxation Code, had this~~
30 ~~section not been enacted.~~